SWAYNE GUY
Form 4
January 05, 2009

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *
SWAYNE GUY

(Last) (First) (Middle)

FLAGSTONE REINSURANCE HOLDINGS
LIMITED, CRAWFORD HOUSE,
23 CHURCH STREET

(Street)

HAMILTON, D0 HM 11

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Flagstone Reinsurance Holdings Ltd [FSR]

3. Date of Earliest Transaction (Month/Day/Year)
01/01/2009

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
CEO - Flagstone Re Suisse SA

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and A Underlying Se (Instr. 3 and 4
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title
Performance Share Units	$ 0 (1)	01/01/2009		A		75,000		01/01/2012(2)	04/01/2012(3)	Common Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SWAYNE GUY FLAGSTONE REINSURANCE HOLDINGS LIMITED CRAWFORD HOUSE, 23 CHURCH STREET HAMILTON, D0 HM 11			CEO - Flagstone Re Suisse SA	

Signatures

/s/ James O'Shaughnessy by power of attorney	01/05/2009
**Signature of Reporting Person	Date

Explanation of Responses:

***** If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

****** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Vesting of Performance Share Units ("PSUs") is contingent upon the reporting person's continued employment with Flagstone Reinsurance Holdings Limited (the "Company") and the Company meeting certain fully diluted return-on-equity ("FDROE") goals. Upon vesting, the PSU holder is entitled to receive a number of common shares of the Company (or the cash equivalent, at the election of the Company) equal to the product of the number of PSUs granted multiplied by a factor based on the Company's FDROE during the vesting period. The factor will range between 0.5 and 1.5, depending on the FDROE achieved during the vesting period.

(2) These PSUs would vest, subject to the contingency described in note 1 above and the other terms and conditions of the Company's PSU Plan, on the date shown.

(3) Assumes the Company would settle these PSUs within three months of the vesting date.

(4) Represents the mid-point of the vesting range described in note 1 above for these PSUs.

(5) These PSU grants are held through a trust for the benefit of others and Mr. Swayne therefore disclaims beneficial ownership of these PSUs.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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